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ABSTRACT

This publication presents an overview of corporate support of education for 1992. The first part provides statistics on national trends in corporate contributions to education, including the following: estimated consolidated corporate contributions; education's estimated share; the distribution of shares within education; contributions as a percent of pretax income; and the outlook for 1993-94. The second part presents results of the 1992 Survey of Corporate Contributions, sponsored by the Council for Aid to Education and The Conference Board, which is composed of 371 companies. Information is provided on the allocation of funds to education, variations within industry, year-to-year changes, and forms of giving. Fifteen tables are included. (LMI)

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COUNCIL FOR AID TO
EDUCATION

Corporate Support of Education

1992

ED 374 533

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About the Council for Aid to Education

The Council for Aid to Education is the only national non-profit organization that focuses exclusively on education and private giving, especially corporate giving. Our primary mission is to inform, strengthen, and enhance the impact of corporate support of education at all levels.

At the Council for Aid to Education, we:

- provide corporations with advice and assistance in identifying and developing effective national, regional, and local programs of education support;
- offer thoughtful analysis and commentary on key aspects of education policy and practice;
- collect, interpret, and disseminate data on educational philanthropy for the funding community, for educators and educational policymakers, and for government decisionmakers;
- act as a source of information and expertise not only for corporations but also for the media, for researchers, and for civic and community leaders interested in private support of education.

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Corporate Support of Education

1992 Highlights

National Estimates

Consolidated charitable contributions by U.S. corporations and their foundations to organizations in the U.S. fell 1 percent to an estimated $5.9 billion in 1992. This was the first decline since 1970 and it came on the heels of four years of only 2 percent annual increases. **Page 2**

Corporate foundations continue to play a major role in bolstering consolidated corporate giving. The net outflow from these foundations in 1992 was an estimated $500 million, and may have been more. Corporate foundations had assets of about $6 billion in 1991, the latest year for which data are available. **Page 2**

Corporate support of educational causes represented 41 percent of total contributions, or $2.4 billion, about the same as in 1991. **Page 3**

Higher education received the bulk of the education support, 70 percent or $1.7 billion in 1992, about the same as in 1991. Precollege education continued to increase its share and reached an estimated 15 percent in 1992, or over $360 million. Other education programs received an equal amount, as their share of the education total continued to erode. **Page 4**

The ratio of contributions to pretax net income fell from 1.79 percent in 1991 to 1.59 percent in 1992. Corporate profits climbed 11 percent in 1992 after having fallen 6 percent in 1991. **Page 5**

Preliminary data for 1993 indicate little if any growth. The outlook for 1994 is somewhat more positive. **Page 6**

Survey Results

Education received the largest share — 42 percent, or $762 million — of the $1.815 billion reported given to specific causes in the United States in 1992 by 371 participating companies, the second largest number of participants since 1985. An additional $247 million in contributions were reported but not allocated to specific causes. **Page 7**

Colleges and universities secured 70 percent of the education dollars, down from 71 percent in 1991. The share of support directed to precollege education climbed to a new high, more than 16 percent, among participating companies. **Page 8**

Gifts of company products and property accounted for about 13 percent of contributions to all causes, down from 16 percent in 1991. Gifts of products and property to education also fell. **Page 14**

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National Trends in Corporate Contributions

Estimated Consolidated Corporate Contributions

Contributions by corporations and their foundations to charitable causes in the United States fell 1 percent in 1992 to an estimated $5.92 billion. This is the first year of actual decline in estimated contributions since 1970 and the fifth year in a row that contributions have climbed 2 percent or less. The contrast with the prior decade is pronounced: from 1978 to 1987, corporate contributions grew at the unprecedented average annual rate of 14.6 percent. Adjusted for inflation using the Consumer Price Index (CPI), increases averaged 7.7 percent annually between 1978 and 1987, and have fallen an average of 2.7 percent annually since.

These consolidated figures (*see Table 1 and Figure 1*) portray the estimated annual flow of gifts (cash, securities, products and property) from the corporate community — both corporations and their foundations — to charitable organizations based in the United States. (*Table 1* and *Figure 1* also include revisions to 1990 and 1991 figures published last year.) Prior to 1990, the Council estimated only the amounts that are ultimately reported by the Internal Revenue Service (IRS), two-and-a-half years after the fact. IRS figures *include* contributions by companies to their own foundations and *exclude* company foundation gifts to other charitable causes. In many years these two flows are quite different and do not cancel each other out.

Among other functions performed by corporate foundations, they can protect contributions programs from the ups and downs of corporate profits. When times are prosperous, companies can add reserves to their foundations. When profits are off, foundations can draw upon asset earnings and reserves to maintain a desired overall corporate giving level without having to cut into profits (*see Figure 2*).

Given this role played by foundations, the "consolidated" approach introduced by the Council in 1990 attempts to estimate giving both through direct corporate grants and

Table 1

National Trends in Consolidated Corporate Contributions to All Causes and Pretax Net Income

Year	Estimated Consolidated Corporate Contributions To All Causes *(millions $)*	Percent Change From Prior Year	Corporate Contributions To All Causes As Reported By the IRS* *(millions $)*	Percent Change From Prior Year	Difference Between Consolidated & IRS Figures *(millions $)*	Estimated Net Flow into or out of Foundations *(millions $)*	Remaining Difference Between IRS & Consolidated Figures *(millions $)*	Corporate Pretax Income *(billions $)*	Percent Change From Prior Year	Consolidated Contributions As a % of PTI	Consumer Price Index	Estimated Consolidated Corporate Contributions To All Causes (Constant 1992 $) *(millions)*	Percent Change From Prior Year
1963	577	7	657	10	-80	-8	-88	61	9	0.94	21.8	2,647	5
1964	629	9	729	11	-100	2	-98	68	11	0.92	22.1	2,845	7
1965	703	12	785	8	-82	9	-73	79	16	0.89	22.5	3,130	10
1966	779	11	805	3	-26	7	-19	85	8	0.92	23.1	3,372	8
1967	813	4	830	3	-17	6	-11	82	-4	0.99	23.8	3,415	1
1968	826	2	1,005	21	-179	38	-141	91	11	0.91	24.8	3,331	-2
1969	841	2	1,055	5	-214	43	-171	89	-2	0.95	26.2	3,216	-3
1970	822	-2	797	-24	25	-14	11	78	-12	1.05	27.7	2,974	-8
1971	836	2	865	9	-29	-1	-30	90	15	0.93	28.9	2,896	-3
1972	951	14	1,009	17	-58	28	-30	105	16	0.91	29.8	3,194	10
1973	999	5	1,174	16	-175	61	-114	131	25	0.76	31.6	3,158	-1
1974	1,039	4	1,200	2	-161	36	-125	143	9	0.73	35.1	2,957	-6
1975	1,080	4	1,202	0	-122	-25	-147	140	-2	0.77	38.3	2,817	-5
1976	1,233	14	1,487	24	-254	64	-190	174	24	0.71	40.6	3,040	8
1977	1,410	14	1,791	20	-381	115	-266	203	17	0.69	43.2	3,264	7
1978	1,587	13	2,084	16	-497	277	-220	238	17	0.67	46.5	3,415	5
1979	1,900	20	2,288	10	-388	96	-292	261	10	0.73	51.7	3,672	8
1980	2,172	14	2,359	3	-187	28	-159	241	-8	0.90	58.7	3,698	1
1981	2,668	23	2,514	7	154	-101	53	229	-5	1.17	64.8	4,118	11
1982	3,188	19	2,906	16	282	-120	162	176	-23	1.81	68.8	4,635	13
1983	3,674	15	3,627	25	47	-43	4	211	20	1.74	71.0	5,176	12
1984	4,325	18	4,057	12	268	125	393	241	14	1.80	74.1	5,840	13
1985	4,819	11	4,472	10	348	41	389	225	-6	2.14	76.7	6,284	8
1986	5,119	6	5,180	16	-61	247	186	218	-3	2.35	78.1	6,553	4
1987	5,490	7	4,980	-4	510	-44	554	288	32	1.91	81.0	6,780	3
1988	5,625	2	4,893	-2	732	-250	482	348	21	1.62	84.3	6,671	-2
1989	5,764	2	4,893	0	871	-400	471	343	-1	1.68	88.4	6,522	-2
1990**	5,868	2	4,752	-3	1,116	-600	516	355	4	1.65	93.2	6,299	-3
1991**	6,000	2	4,750	-0	1,250	-600	650	335	-6	1.79	97.1	6,180	-2
1992	5,923	-1	5,000	5	923	-500	423	372	11	1.59	100.0	5,923	-4

** IRS figures for 1991and 1992 are Council estimates.*
*** Some figures for year revised from 1991 report.*

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Figure 1

Estimated Consolidated Corporate Contributions to All Causes

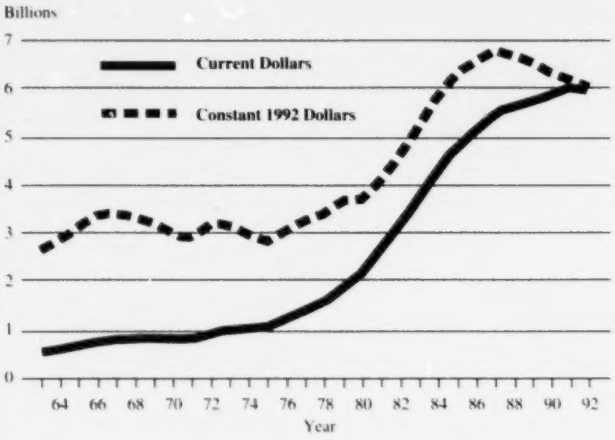
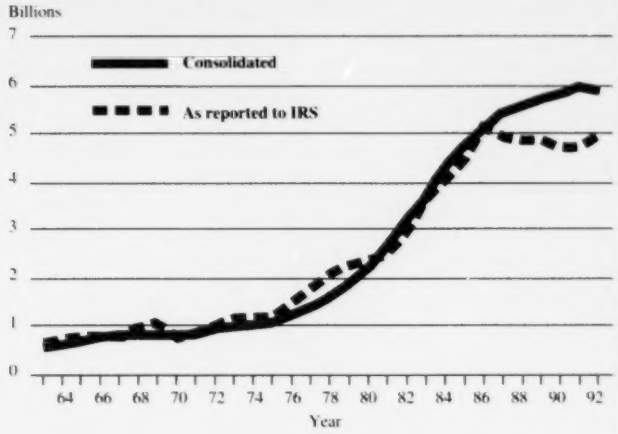


Figure 2

Estimated Consolidated Corporate Contributions and Total Charitable Deductions as Reported by the IRS



through corporate foundation grants, while excluding contributions by corporations to their own foundations. The Council believes these consolidated estimates more accurately reflect the actual annual flow of charitable contributions from the corporate community to the non-profit sector.

The consolidated figures also attempt to correct for other characteristics of the IRS data that may create a misleading picture of the year-to-year flow of corporate contributions. Among these characteristics are "carry-overs" of deductions in excess of pre-tax income-related percentage limits, the effects of the "prepayment" option, and differences in fiscal years across companies. As seen in *Table 1* (column headed "Remaining Difference Between IRS & Consolidated Figures"), after taking into account the net effect of foundation gifts, significant differences between the IRS figures and the consolidated figures remain — $650 million in one recent year. These differences are largely attributable to the IRS characteristics described above, but at this time we are unable to say how much each characteristic contributes to the difference each year. Some error in the consolidated estimates also undoubtedly contributes to the differences.

As in the past, the Council continues to estimate the IRS charitable deduction figure. The latest available figure from the IRS, for 1990, shows deductions of $4.75 billion, down 3 percent from 1989 and about $200 million less than our estimate of it last year. As a consequence, figures in *Table 1* for 1990 and 1991 have been revised downward.

As the Council discussed in last year's report, 1988's decline from 1987, and 1987's decline from the 1986 all-time high figure of $5.18 billion, reflect significant company prepayments of contributions in 1986 to take advantage of the effects of higher tax rates that were lost beginning in 1987. The more recent declines undoubtedly reflect the cumulative effects of a weak economy.

The Council currently estimates that when the IRS figures for 1991 and 1992 are released in 1994 and 1995 respectively, they will show charitable deductions of about $4.75 billion and $5.00 billion respectively.

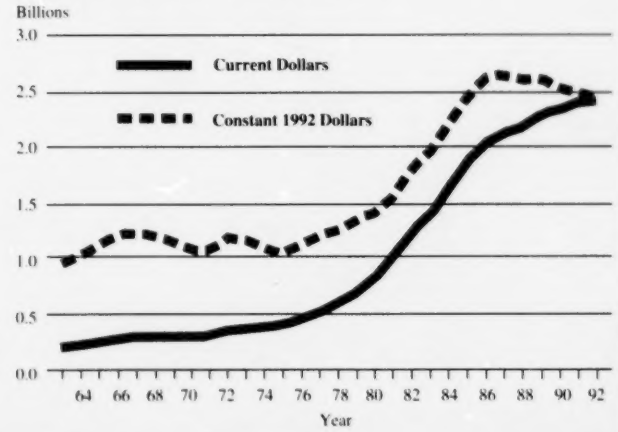
Education's Estimated Share

The new consolidated contributions totals have the additional advantage of being on an equal footing with the Council's estimates of corporate giving to education, which have always reflected a combination of company and company foundation gifts. *Table 2* and *Figure 3* present estimates of corporate contributions to education for the past thirty years.

The trend in giving to education corresponds closely to the trend in giving to all causes, with strong growth between 1976 and 1985, moderate growth in 1986 and 1987, and slower growth since. Education's share of total contributions is estimated to have climbed gradually from 36 percent in 1963 to 41 percent currently. Corporate gifts to all educational causes are estimated to have climbed 1 percent in 1992 to slightly more than $2.4 billion. The Council does not estimate total corporate contributions to health and human services, culture and the arts, and other charitable causes.

Figure 3

Estimated Consolidated Corporate Contributions to Education



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Distribution of Shares within Education

Estimates of corporate contributions to higher education, elementary/secondary (precollege) education, and other education programs — which includes scholarships and fellowships and education-related organizations — are shown in *Table 2* and *Figures 4* and *5*. These estimates are derived from the distribution of educational contributions reported by companies responding to the Survey of Corporate Contributions. (See page 7 for a description of the survey.)

Higher Education As has always been the case, higher education received the lion's share of corporate contributions, an estimated $1.7 billion in 1992, up slightly from the prior year's revised figure. Readers familiar with Council estimates of corporate support of higher education as published in our annual *Voluntary Support of Education* (VSE) report may notice that the two sets of estimates do not correspond exactly, although they follow very similar trends. Several factors prevent these figures from being exactly comparable and their differences need to be borne in mind. First, the estimates presented here that are derived from the survey of corporations are meant to reflect only those amounts of higher education support that were treated as "contributions" by the corporations themselves. Corporate support dollars treated as "business expenses" by the corporations are not included in *Table 2*, even if they were treated as gifts by the recipient institutions. Second, the estimates of corporate support of higher education reported in *Voluntary Support of Education* reflect gifts from corporate sources world-wide, while the estimates in this report include U.S.-based corporations only. Third, the estimates presented in *Voluntary Support of Education* are calculated on an academic-year basis, while the estimates presented here are on a calendar-year basis. Finally, companies and higher education institutions value gifts of products and property differently.

Precollege Education The Council found continued evidence of increasing support for elementary and secondary education, which has climbed from an estimated 3 percent of the education total in 1963 to 15 percent in 1992, or more than $360 million. It is probable, however, that some portion of this increase in share (perhaps several percentage points) simply reflects more careful accounting and reporting of gifts

Table 2

National Trends in Corporate Contributions to Education and Pretax Net Income

	Estimated Consolidated Corporate Contributions to Education *(millions $)*	Percent Change From Prior Year	Consolidated Contributions to Education As a Percent of Total Consolidated	Consolidated Contributions To Education As a % of PTI	Estimated Consolidated Corporate Contributions to Education (Constant 1992 $) *(millions)*	Percent Change From Prior Year	Estimated Percent Distribution			Estimated Dollar Distribution *(Millions $)*		
							Higher Ed.	Pre-college	Other Ed. Programs	Higher Ed.	Pre-college	Other Ed. Programs
1963	208	7	36	0.34	953	5	71	3	26	148	6	53
1964	226	9	36	0.33	1,024	7	71	3	26	161	7	58
1965	253	12	36	0.32	1,127	10	71	3	26	180	8	65
1966	280	11	36	0.33	1,214	8	71	3	26	200	9	72
1967	293	4	36	0.36	1,229	1	71	3	26	209	9	75
1968	297	2	36	0.33	1,199	-2	71	3	26	212	9	76
1969	303	2	36	0.34	1,158	-3	71	3	26	216	9	78
1970	296	-2	36	0.38	1,071	-8	71	3	26	211	9	76
1971	309	4	37	0.34	1,072	0	68	4	28	212	12	86
1972	352	14	37	0.34	1,182	10	66	5	30	231	16	105
1973	370	5	37	0.28	1,168	-1	69	4	26	256	16	97
1974	384	4	37	0.27	1,094	-6	70	4	26	269	16	100
1975	400	4	37	0.28	1,042	-5	70	4	26	280	15	105
1976	456	14	37	0.26	1,125	8	70	4	26	319	16	120
1977	522	14	37	0.26	1,208	7	70	3	27	365	17	139
1978	587	13	37	0.25	1,263	5	69	3	28	405	18	164
1979	703	20	37	0.27	1,359	8	69	3	28	485	24	194
1980	825	17	38	0.34	1,405	3	69	4	27	569	31	225
1981	1,014	23	38	0.44	1,565	11	69	4	27	700	39	275
1982	1,243	23	39	0.71	1,808	16	69	4	27	860	50	333
1983	1,396	12	38	0.66	1,967	9	70	5	25	976	64	356
1984	1,643	18	38	0.68	2,219	13	71	5	24	1,160	85	398
1985	1,880	14	39	0.84	2,451	10	72	6	22	1,353	113	414
1986	2,048	9	40	0.94	2,621	7	72	6	22	1,474	125	448
1987	2,141	5	39	0.74	2,644	1	72	7	21	1,541	150	450
1988	2,194	2	39	0.63	2,602	-2	72	9	19	1,580	197	417
1989*	2,306	5	40	0.67	2,609	0	72	10	18	1,660	231	415
1990*	2,347	2	40	0.66	2,520	-3	72	11	17	1,690	258	399
1991	2,414	3	40	0.72	2,487	-1	70	13	17	1,690	314	410
1992	2,429	1	41	0.65	2,429	-2	70	15	15	1,700	364	364

** Some figures for year revised from 1991 report.*

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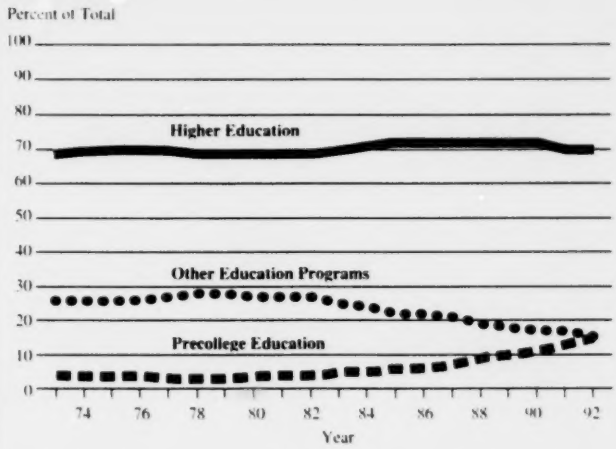
Figure 4

Estimated Percentage Distribution of Consolidated Corporate Contributions to Education



to the precollege sector, gifts that in the past might have been lumped in the category of "other education programs."

On the other hand, the precollege share as reported here does not include contributions to higher education institutions and other education programs for activities that are ultimately targeted at precollege education — teacher training, curricular reform, and school restructuring programs, among others. This indirect support amounted to perhaps another $160 million — assuming that roughly 20 percent of the support for other education programs, and 5 percent of the support for higher education, are actually directed toward improving elementary and secondary education. These assumptions are based on responses to special questions in the 1989 Survey of Corporate Contributions.

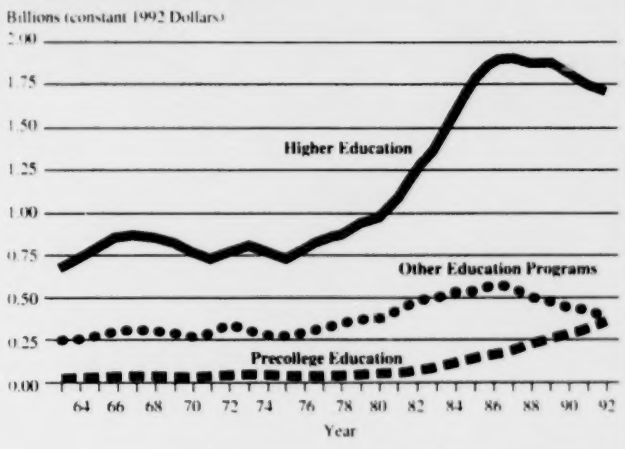
Precollege's share also does not include many other activities that companies undertake in support of elementary and secondary school reform efforts — executive time and effort spent on policy development and implementation, employee time given to tutoring or mentoring during business hours, and school use of corporate space, facilities, and other resources. And corporate support of various youth-related, community, and health and human services programs often have an impact on issues addressed by the school reform movement; these dollars, too, are not included in the above share.

If the question is then asked as to the total dollar value of corporate contributions and other activities in support of the development of children in grades K through 12, the answer must be that we don't know — but certainly the amount is greater than twice the estimated $364 million going directly to precollege institutions.

Other Education Programs The share of educational contributions earmarked for other education programs, a category which includes scholarships and fellowships and education-related organizations, continued its gradual decline of the last 20 years (from 26 percent in 1963 to 15 percent in 1992).

Figure 5

Estimated Distribution of Consolidated Corporate Contributions to Education in Constant 1992 Dollars



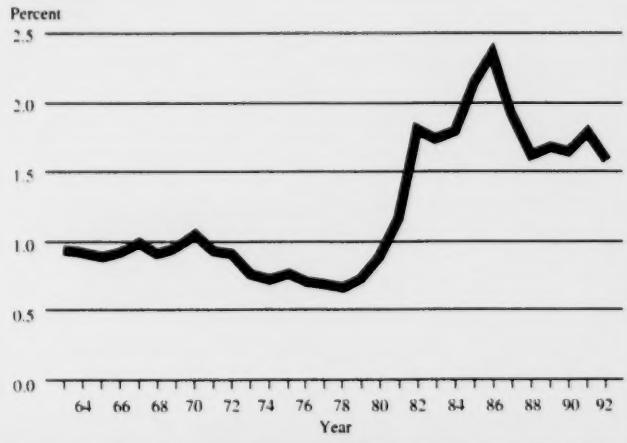
As mentioned above, some of this decline is probably due to a change in reporting practices, with companies being more careful to attribute precollege-related dollars to the precollege category. But through its contacts with many companies each year, the Council is also aware that there has been some shift of focus away from the general support of education (via education-related organizations) and toward projects more closely tied to specific educational institutions.

Contributions as a Percentage of Pretax Income

Measured as a percentage of corporate pretax income (PTI), estimated total contributions, at 1.59 percent, and education contributions, at 0.65 percent, both fell in 1992 as PTI climbed 11 percent. However, excepting 1985 and 1986, when poor profits coincided with strong tax-related incentives for companies to "prepay" or otherwise fund future contributions

Figure 6

Estimated Consolidated Corporate Contributions as a Percentage of Pretax Income



(see Tables 1 and 2 and Figure 6), these contributions ratios remain at the high end of historical levels. Overall, the contributions-to-PTI ratios from the early 1980s forward are about double the pre-1980 levels *(but see Research Note below)*.

Outlook for 1993-94

Based on preliminary information, the Council estimates that corporate contributions in total and to education will show a decline in current and constant dollars in 1993. For 335 companies in the 1992 Survey of Corporate Contributions that provided preliminary estimates for 1993, total contributions were expected to decrease by about 1 percent and education contributions were expected to decrease by about 4 percent. These 335 companies accounted for 80 percent of the contributions reported by all 371 companies in 1992. Other indicators of current corporate giving activity available to the Council reinforce this forecast. Companies responding to these questions in 1991 accurately predicted the 1992 results, so these estimates may be fairly reliable.

In the 1992 survey, companies were also asked to indicate whether giving in 1994 would be up, down or unchanged. Among 321 companies responding, 104 expected contributions to move up, 39 expected them to move down, and 178 foresaw no change. Among the 298 companies answering similar questions about education contributions, 97 expected them to go up, 24 expected them to go down, and 177 foresaw no change. The Council has no experience on which to judge the accuracy of these company predictions, so these figures are offered in "as is" condition. In general however, and as we stated last year, until the economy shows renewed vitality, there is little reason to expect that contributions will show any real gain. It is becoming increasingly difficult for corporations to remain at the current contributions level given other growing demands on their resources. And as the profit picture improves, many corporations may well find it prudent to make significant contributions to their own foundations to replenish funds drawn down over the last five years. If this occurs, we may well see a period of stronger IRS figures than consolidated corporate contribution figures — just the opposite of what we have seen for the past five years.

Research Note

Like us, you may be surprised enough at finding corporate contributions consistently above 1.5 percent of pretax income since the start of the 1980s to question whether the recent figures are really comparable to the pre-1980 figures. We explored this with the Department of Commerce several years ago and can offer the following additional information. The pretax income figure (PTI) they report is essentially the net of pretax income reported by all profitable companies less the losses reported by all companies operating at a deficit. And during the mid-1980s there was dramatic growth in total losses reported — from $58 billion in 1980 to $182 billion in 1990.

While companies operating at a loss may or may not cut back their charitable contributions, in neither case will they be declaring contributions as a deduction for the year in question. So their charitable giving doesn't add to the contributions figure released by the IRS. On the other hand, the profitable companies are generally reporting their contributions as charitable deductions. If we then look at contributions reported to the IRS as a percentage of *profitable* companies' pretax income, we find ratios during the 1980s rising to a level around 1.25 percent of pretax income. This is still a significant increase over the levels of the 1970s and, for purposes of comparison, probably a better indicator of where the ratio currently stands.

1992 Survey Results

The annual Survey of Corporate Contributions, jointly sponsored by the Council for Aid to Education and The Conference Board, collects information on charitable contributions by many of the nation's largest corporations. The analysis and discussion that follow primarily reflect information provided by the companies that responded to the survey of contributions made during 1992. In addition, corporate-related results from the Council's *Voluntary Support of Education (VSE)* survey, co-sponsored with the Council for the Advancement and Support of Education and the National Association of Independent Schools, are also presented to fill out the picture of corporate support of education. Results from the *VSE* survey are clearly identified.

For the 1992 Survey of Corporate Contributions, 371 companies returned questionnaires, down from last year's 410 companies but the second largest response since 1985. Since all participating companies do not provide complete information, the number of companies represented in the tables that follow will vary. *Table 3* presents a profile of participating companies by size of total and education contributions budgets. Sixty-seven percent of the companies reported contributions of over $1 million, the same as last year. Companies budgeting over $5 million for charitable giving (25 percent of all reporting companies) accounted for 80 percent of the total contributions dollars, and 82 percent of the education support dollars, reported by all companies in the sample, the same pattern as last year. As has typically been the case, the larger the total contributions budget, the greater the share directed to education causes. Companies with programs of less than $500,000 earmarked 31 percent of their contributions for education, while those with programs of more than $5 million earmarked 43 percent.

Table 3

Profile of Participating Companies by Size of Contributions, 1992

Contributions Budget	Number of Companies		Contributions (millions of dollars) Allocated and Unallocated Total		Allocated to Education		Education as % of Allocated Total
Less than $500,000	69	(18.6)	$17.8	(0.9)	$5.0	(0.7)	30.7%
$500,000 to $999,999	54	(14.6)	39.5	(1.9)	11.5	(1.5)	32.3
$1,000,000 to $4,999,999	155	(41.8)	360.8	(17.5)	118.2	(15.5)	37.7
$5,000,000 and over	93	(25.1)	1,643.5	(79.7)	627.1	(82.3)	43.3
All Companies	371	(100.0)	$2,061.6	(100.0)	$761.8	(100.0)	42.0%

Five of the 371 companies responding to the survey did not break out an education total. These 5 companies reported total contributons of $33 million.
(Figures in parentheses are percent of total.)
Totals in Tables 3-15 may not add due to rounding.

Where the Dollars Go

The 371 companies reported a total of $2.06 billion in contributions, and were able to identify how $1.81 billion (88 percent) of those dollars were allocated across the major beneficiary categories. Since the Council for Aid to Education/Conference Board survey was launched in 1974, participating corporations have reported directing between 35 and 43 percent of their contributions to education. In 1978, education passed health and human services as the recipient of the largest share and has maintained that position since. As shown in *Table 4* (page 8) and *Figure 7*, education's share of total contributions in 1992, at 42 percent, is the highest share in recent years. The spike in giving to education in 1986 *(see Figure 7)* reflects an increase in giving to higher education institutions by manufacturing companies and was probably tax-related.

Health and human services organizations, at 31 percent, received the second largest share of total contributions. As seen in *Figure 7*, the share of contributions going to this category declined from the late 1970s to the early 1980s, but has since been on a gradual rise. Civic and community groups received 12 percent of the total; after peaking at 19 percent in 1984, their share has stayed in the 12 percent to 14 percent range. Giving to arts and cultural institutions has shown a fairly steady, although modest, rise since the late 1970s. The remaining 2 percent went to the "other" category, which includes disaster relief, food banks, U.S.-based organizations with international relief and policy programs, and similar causes not covered under the major categories. The jump in "other's" share in 1987 is attributable to one extraordinary property gift of $90 million. The climb in the unallocated portion *(see Table 4)* apparently reflects staffing cut-backs in

Figure 7

Percentage Distribution of Reported Consolidated Corporate Contributions to All Causes

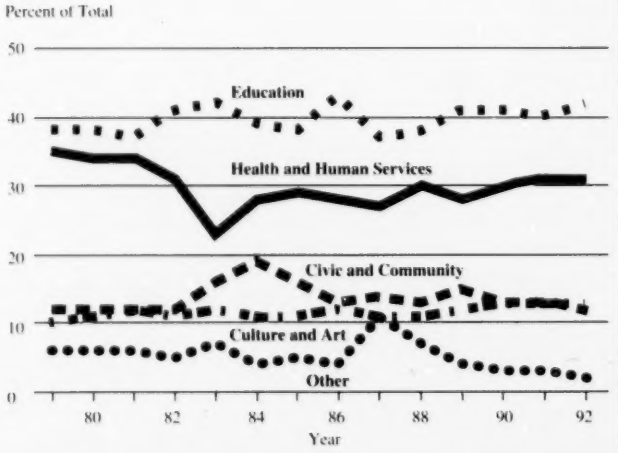


Table 4

Distribution of Corporate Contributions, 1988 -1992

(millions of dollars)

Contributions Budget	1988 356 Companies		1989 333 Companies		1990 339 Companies		1991 410 Companies		1992 371 Companies	
Education	$ 615.1	38.2%	$ 705.3	41.3%	$ 773.4	41.0%	$ 782.9	39.6%	$ 761.8	42.0%
Health and Human Services	480.9	29.9	480.2	28.1	569.7	30.2	607.6	30.7	567.3	31.3
Civic and Community	212.7	13.2	255.7	15.0	248.2	13.1	253.3	12.8	213.7	11.8
Culture and Art	183.7	11.4	203.1	11.9	238.2	12.6	265.3	13.4	242.8	13.4
Other	116.1	7.2	64.0	3.7	58.4	3.1	67.1	3.4	29.3	1.6
Total Allocated	$1,608.4	100.0%	$1,708.3	100.0%	$1,887.9	100.0%	$1,976.2	100.0%	$1,814.9	100.0%
Unallocated	$ 37.3		$ 111.8		$ 203.7		$ 272.5		$ 246.7	
Percent of Grand Total	2.3%		6.1%		9.7%		12.1%		12.0%	
Grand Total	$1,645.7		$1,820.1		$2,091.6		$2,248.7		$2,061.6	

the corporate contributions function during this period of corporate retrenchment, cut-backs that have made it more difficult for companies to respond to surveys in detail.

Where the Education Dollars Go

Three hundred and sixty-six companies reported gifts to education totalling $762 million, with $600 million (79 percent) of the total allocated across educational subcategories. *Table 5* compares allocations in 1992 with 1991. Because the same set of companies are not reporting each year, the most meaningful comparisons are between the percentage distributions. However, even these comparisons can misrepresent the trends for all companies, not just those participating in the survey. Thus, the Council, in its national estimates, attempts to smooth out the fluctuations that appear from year to year, and to identify the longer term trends that the survey results appear to indicate. For a 30-year view of these estimates, refer back to *Figures 4* and *5*.

Higher Education

Overall As reported by survey respondents, higher education's share of all education contributions, at 70 percent, was little changed from 1991. While the reported share in both 1991 and 1992 was substantially lower than that reported in 1990 (78 percent), 1990 was an unusual year and the Council discounts that reported share. It appears likely that higher education's real share among all respondents in 1990 was closer to 74 percent and thus the drop in share from 1990 to 1991 is more like 3 percentage points, with another half percentage point drop in 1992. The Council's estimate of higher education's share of contributions to education from all corporations in 1990 was 72 percent, dropping to 70 percent in 1991 and 1992 (*see Table 2 for a 30-year view of estimates of giving to higher education and other education sectors*).

Public vs. Private Institutions While the corporate support survey does not gather information on the distribution of support across types of higher education institutions, the

Table 5

Support of Education by Purpose

(thousands of dollars)

	1991 405 Companies		1992 366 Companies	
	Amount	% of Total	Amount	% of Total
Colleges and Universities				
Unrestricted operating, capital, departmental, research, student-aid grants and grants via consortia	$334,444	51.7%	$296,601	49.4%
Matching gifts*	124,465	19.2	125,275*	20.9
Total Colleges and Universities	$458,909	70.9%	$421,876	70.3%
Precollege Education				
Public and private school support	$84,040	13.0%	$86,536	14.4%
Matching gifts*	8,740	1.4	8,797*	1.5
Total Precollege Education	$ 92,781	14.3%	$95,333	15.9%
Other Educational Programs				
Education-related organizations	$56,298	8.7%	$45,074	7.5%
Scholarships and fellowships	39,100	6.0	37,667	6.3
Total Other Educational Programs	$95,398	14.7%	$82,742	13.8%
Total Allocated	$ 647,088	100.0%	$599,951	100.0%
Unallocated	$135,813		$161,844	
Percentage of Grand Total	17.3%		21.2%	
Grand Total	$782,901		$761,794	

**Estimates based on Council matching gift surveys. Participants reported only a matching gift total to all education in 1991 and 1992.*

Council's annual *Voluntary Support of Education (VSE)* survey of colleges and universities does gather such information in great detail. In the 1988-89 academic year, reported corporate support of public four-year institutions surpassed reported support of private four-year institutions for the first time *(see Figure 8)*. However, enrollment at public institutions has grown much faster than at private institutions, and public four-year institutions still lag behind private institutions in corporate dollars received per student *(see Figure 9 for a comparison of public to private research/doctoral institutions)*. In 1992, 83 percent of all corporate support to public higher education was directed to research/doctoral institutions (versus 87 percent in 1991), while private research/doctoral institutions secured 68 percent of the corporate dollars given to private higher education (versus 70 percent in 1991).

Allocations to Different Types of Institutions *Figure 10* compares corporate support per student across different types of institutions in the 1991-92 academic year as reported in the *VSE* survey. While the per student support to public specialized institutions (largely medical and health science) is great, the relative number of students involved is small, so only two percent of all corporate dollars go to public specialized institutions.

Support by Purpose *Figure 11* shows the distribution of corporate gifts to higher education institutions by purpose as reported in the 1991-92 *VSE* survey. Most of the corporate support reported by institutions as earmarked for property, buildings and equipment reflects gifts of company products, most of which is research-related.

Figure 8

Reported Consolidated Corporate Contributions to Four-Year Institutions

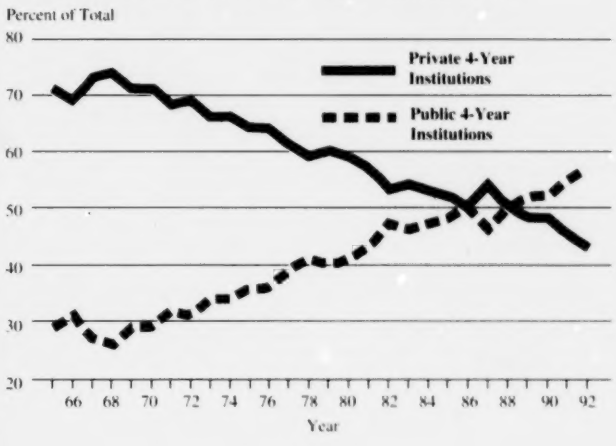


Figure 9

Reported Consolidated Corporate Contributions per Student to Research/ Doctoral Institutions

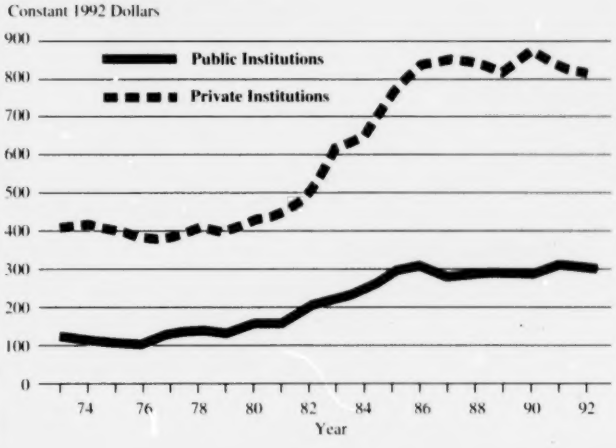


Figure 10

Reported Consolidated Corporate Contributions per Student by Type of Higher Education Institution, 1992

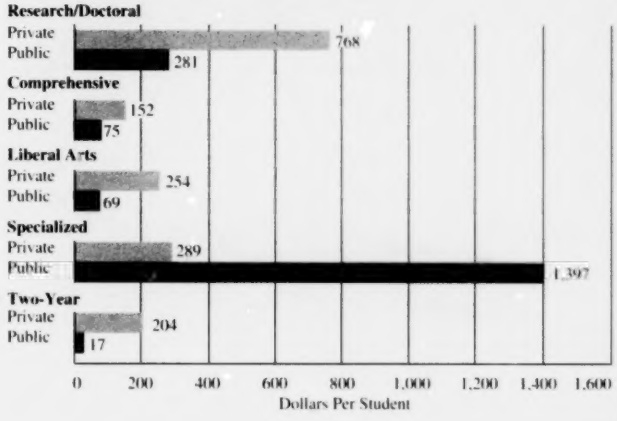
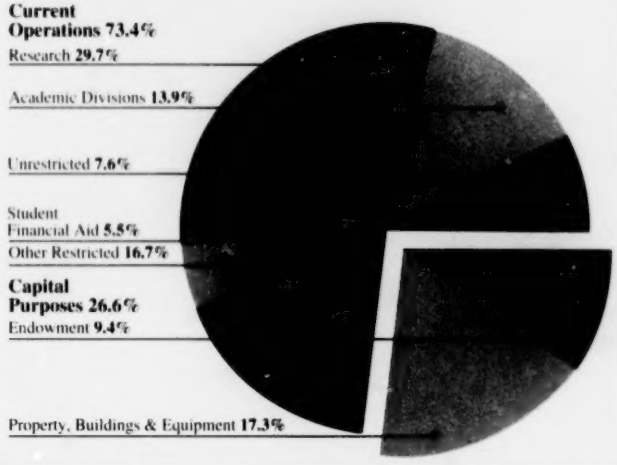


Figure 11

Distribution of Reported Consolidated Corporate Contributions to Higher Education by Purpose, 1992



Precollege Support

Corporate support to precollege education grew gradually from 1978 to 1987, and has grown quite rapidly since. Among the 1992 corporate survey respondents, precollege support captured over 16 percent of the education total *(see Table 5 on page 8)*, the largest share ever and a rise of 1.6 percentage points since 1991 alone.

A special survey section in 1989 explored support of precollege education in greater detail. Of the 201 companies providing answers to this section in 1989, 64 percent reported plans to increase support to precollege education in the future, with the rest planning to hold steady at current levels. Of the companies planning to increase support, 66 percent planned to increase their overall education budget, 11 percent planned to shift dollars from higher education-related giving, and 23 percent planned both to increase the overall education budget and to shift some dollars from higher education (both from the institutions themselves and from higher education-related organizations) to precollege education.

The 1990 survey included a different set of precollege questions. Companies were asked to report gifts to preschool programs and separately to public and private elementary and secondary education. Among 326 companies providing details, a total of $58 million was directed at precollege education, $15 million of which was not further allocated. Of the remaining $43 million, $2.7 million (6 percent) went to preschool programs, $30 million (70 percent) went to public elementary and secondary education, and $10.3 million (24 percent) went to private elementary and secondary education, $7.4 million of which was in the form of matching gifts.

In addition to gifts of cash, products, and property, companies are also supporting the precollege sector in ways not easily expressed in dollars. Among companies responding to supplementary questions in 1989, half said their executives were actively involved in advocacy for school reform and restructuring. Among companies responding to a question about employee volunteerism on company time, approximately a third said a significant number of employees were involved. And about a third of the companies made their facilities, equipment, or supplies available for precollege-related activities. There has not been a follow-up to these questions in subsequent surveys, but it is the Council's impression, based on contacts with many companies, that these types of activities have continued to increase over the past two years.

Other Education Programs

Included in Other Education Programs are scholarships and fellowships and gifts to education-related organizations. Reported gifts to this category dropped from 13.9 percent of the allocated total to education in 1989 to 11.1 percent in 1990 (but because of reporting problems in 1990, this figure is probably closer to 13 percent). In 1991, contributions to other education programs climbed almost 2 percentage points from the adjusted 1990 figure of 13 percent, reinforcing our impression that 1990's results were not indicative of some sharp new trend. But in general, the share of contributions to other education programs has fallen gradually by more than a third over the past decade *(refer back to Figures 4 and 5)*, with precollege education benefiting the most.

Matching Gifts

In 1992, 22.4 percent of reported support to education was in the form of matching gifts, as compared to 20.6 percent in 1991.

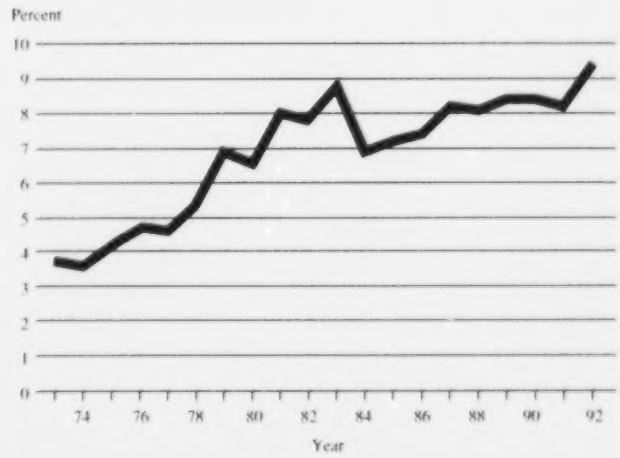
In the recent past, about 75 percent of survey participants have reported matching gift programs, with most of the dollars being directed by employees to institutions of higher education. In 1992, 75 percent of the companies reported programs for matching gifts to education made by employees and often directors and retirees. Corporate matching gift dollars directed by these individuals to the precollege sector go predominantly to private schools.

Figure 12 shows corporate matching gifts as a percentage of all corporate support *reported by higher education institutions* in the *Voluntary Support of Education* survey over the past 24 years. The percent reported by the higher education institutions is lower than that reported by the corporations for several reasons. First, there are the differences described earlier between the reporting practices of corporations and educational institutions. The latter are counting as corporate gifts amounts that the corporations are not counting as contributions, but as other types of business expense. Also, corporate contributions as reported in the *VSE* include gifts from foreign companies, which are not included in the corporate support survey. Finally, the Corporate Support Survey sample over-represents companies that have matching gift programs, especially those with the largest programs.

But the slope of the trend line in *Figure 12* is indicative of the impressive growth of corporate matching gift contribu-

Figure 12

Matching Gifts as a Percentage of Consolidated Corporate Contributions to Higher Education



tions during this period and dramatically illustrates the increasing pressure matching gift programs are placing on many corporate contributions programs.

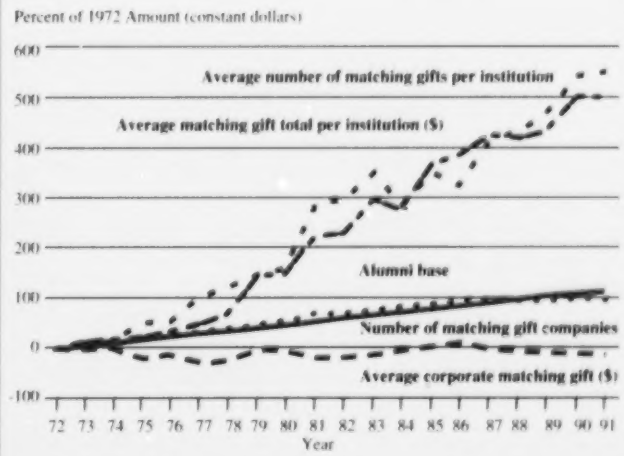
Figure 13 explores factors behind the increasing pressure on corporate education budgets created by burgeoning matching gift programs. As can be seen, the increase has been a function of the number of gifts made, not the average size of gifts (when viewed in constant dollars). The number of gifts made has been a function of the number and size of companies offering matching gift programs, their eligibility policies, and the size of the alumni base (which is also a proxy for growth in the number of non-alumni individuals who also make matchable gifts). Growth in the number of gifts that is not attributable to the above factors must be attributable to a greater tendency for individuals to make gifts and to take advantage of matching gift programs. Promotion by both corporations and educational institutions has undoubtedly enhanced this tendency. Looking ahead, there is reason to expect that the number of matching gifts will continue to climb each year, exerting continually increasing pressure on education budgets until such time as these budgets start to climb more rapidly than they have over the last five years or companies change their gift matching policies. And there is already evidence of the latter.

Industry Differences in Educational Allocations

Industry differences in allocating gifts to the various educational areas are shown in *Table 6* (page 12). Because the number of participating companies is small relative to the total population of companies in a given industry, and an industry is often over-represented by the largest companies, the figures may not be typical of the industry as a whole and should be treated cautiously. In addition, because of the large amount of unallocated dollars reported in recent years, the distributions across educational categories may not be comparable to previous years. While both manufacturing and nonmanufacturing companies give the largest share of support to higher education, manufacturing companies give the larger relative share, and nonmanufacturing companies give a larger share than manufacturing companies to precollege education and through their matching gift programs. But these differences between the manufacturing and nonmanufacturing companies have been narrowing in recent years.

Figure 13

Factors Behind the Growth of Matching Gifts



Contributions Ratios

Table 7 (page 12) compares world-wide corporate pretax income (PTI) and world-wide assets with corporate contributions to explore relationships between financial measures and giving. Companies are included in this table only if they provide both financial and contributions data on the same consolidated basis (i.e., both contributions and financial data are reported for the same corporate entity or entities).

For the 1988 to 1992 period, the total contributions to PTI ratio averaged 1.2 percent. A sharp climb in PTI in 1988 dropped the ratio to 0.89 percent. In 1991, the ratio jumped to 1.6 percent as a result of a steep drop in PTI. PTI recovered some lost ground in 1992 and its ratio to contributions dollars fell (but is still the second highest of recent years). The education contributions to PTI ratio shows a similar pattern over this five year period.

The ratio of contributions to assets shows greater stability across the five year period since assets do not fluctuate nearly as much as PTI from year to year.

Year-to-Year Changes

Table 8 (page 13) provides a matched-case comparison of those companies that reported in both 1991 and 1992, by industry. For the 218 "core" companies that responded in both years, total contributions decreased by 2 percent and education contributions rose by less than 1 percent. For these same companies, PTI climbed 11 percent during the period. That 11 percent increase, however, follows a 30 percent decline the year earlier for substantially the same set of companies.

As is true of the other tables in this report that provide breakdowns by industry, results for any particular industry should not be considered necessarily indicative of the industry as a whole.

Variations by Company Size for Manufacturing Companies

Contributions patterns also vary according to company size. *Table 9* (page 13) shows the manufacturing companies grouped by both income and asset size. Historically, two trends have been observed: First, as income increases, companies tend to contribute a smaller share of their income (in part, at least, as a consequence of the presence of foundations that permit the maintenance of contributions despite poor profits); and second, as asset size increases, companies tend to allocate a greater share of their contributions budgets to education. The former pattern is still clearly in evidence.

Table 6

Percentage Distribution of Allocated Educational Support by Purpose, by Industry, 1992

	Number of Companies	Total Dollars Allocated (000)	Higher Education Exclusive of Matching Gifts	Precollege Exclusive of Matching Gifts	Scholarships and Fellowships	Education-Related Organizations	Matching Gifts
Manufacturing							
Chemicals	20	$ 44,257	68.2%	6.8%	5.9%	10.1%	9.1%
Computers and Office Equipment	14	87,201	52.4	18.2	3.8	2.6	23.1
Electrical Machinery	10	28,090	37.3	15.8	9.5	8.7	28.6
Food, Beverage and Tobacco	14	35,469	31.6	16.9	24.5	10.3	16.7
Nonelectrical Machinery	4	2,546	47.5	11.5	12.7	14.0	14.3
Paper and Allied Products	8	7,790	30.5	37.6	8.7	6.6	16.6
Petroleum, Gas and Mining	18	87,136	39.6	13.4	5.0	14.9	27.1
Pharmaceuticals	11	46,370	48.0	10.2	10.7	7.4	23.7
Printing and Publishing	13	12,354	25.6	29.9	9.7	8.2	26.7
Transportation Equipment	17	88,311	70.3	10.6	2.1	4.5	12.4
Primary Metals	11	1,487	31.4	20.3	4.4	7.9	36.0
Other Manufacturing	33	13,761	34.6	16.9	9.6	7.5	31.4
All Manufacturing	173	$454,771	50.2%	14.2%	7.1%	8.0%	20.5%
Nonmanufacturing							
Banks	34	$ 20,739	28.0%	22.8%	3.5%	4.9%	40.7%
Finance	10	9,099	15.2	44.3	1.1	10.0	29.4
Insurance	36	24,387	33.9	9.9	8.2	7.5	40.5
Retail-Wholesale Trade	9	8,867	77.3	6.3	4.7	0.4	11.3
Telecommunications	11	53,515	64.4	15.3	0.8	3.8	15.7
Transportation	8	3,774	47.8	3.5	4.4	14.5	29.8
Electric and Gas Utilities	42	12,276	45.2	10.9	7.5	17.1	19.4
Diversified Services	15	12,523	32.6	4.7	6.7	2.2	53.8
All Nonmanufacturing	165	$145,180	47.0%	15.1%	3.9%	6.0%	28.0%
Grand Total	338	$599,951	49.4%	14.4%	6.3%	7.5%	22.3%

Table 7

Total Contributions and Educational Support in Relation to Worldwide Pretax Income and Assets, 1988 -1992

(millions of dollars)

Worldwide	1988 334 Companies	1989 287 Companies	1990 298 Companies	1991 323 Companies	1992 309 Companies
Total Contributions	$ 1,602.1	$ 1,692.9	$ 1,931.4	$ 1,788.5	$ 1,864.3
Support of Education	597.9	651.7	725.5	670.5	696.3
Pretax Income	181,035.6	154,527.9	172,876.5	101,796.7	142,308.4
Total Assets	$ 4,112,398.4	$ 4,124,041.3	$ 4,598,635.1	$ 4,059,094.1	$ 4,958,727.1
Total Contributions as a Percentage of:					
Pretax Income	0.885%	1.096%	1.117%	1.757%	1.310%
Total Assets	0.039	0.041	0.042	0.044	0.038
Support of Education as a Percentage of:					
Pretax Income	0.330	0.422	0.420	0.659	0.489
Total Assets	0.015	0.016	0.016	0.017	0.014
Support of Education as a Percentage of Total Contributions	37.3%	38.5%	37.6%	37.5%	37.4%

NOTE: *Not all companies were able to report all their education contributions. Education amounts and percentages are consequently slightly depressed.*

Table 8

Support of Education, Two Survey Years (218 Companies Participating in Both Surveys)

		1991				1992				Percent Change 1992 vs. 1991		
			Support of Education				Support of Education					
	Number of Companies	WWPTI (millions)	Amount (000)	As % of PTI	As % of Contributions	WWPTI (millions)	Amount (000)	As % of PTI	As % of Contributions	PTI	Support of Education	Total Contributions
Manufacturing												
Chemicals	15	$ 6,401	$ 46,845	0.732%	51.3%	$ 6,763	$48,133	0.712%	49.6%	5.7%	2.7%	5.8%
Computers and Office Equipment	9	1,078	87,780	8.144	49.2	(7,957)	86,134	NA	52.1	-838.2	-1.9	-7.3
Electrical Machinery	5	5,179	22,269	0.430	30.6	6,360	25,827	0.406	43.5	22.8	16.0	-18.4
Food, Beverage and Tobacco	9	13,083	36,689	0.280	31.4	15,824	44,409	0.281	36.3	20.9	21.0	4.8
Nonelectrical Machinery	3	918	2,293	0.250	33.7	747	2,182	0.292	33.6	-18.6	-4.9	-4.7
Paper and Allied Products	6	83	7,229	8.749	32.8	1,397	6,856	0.491	33.2	1590.6	-5.2	6.3
Petroleum, Gas and Mining	14	19,931	99,647	0.500	43.7	16,979	90,707	0.534	43.5	-14.8	-9.0	-8.6
Pharmaceuticals	10	15,736	44,229	0.281	23.5	15,286	49,267	0.322	26.9	-2.9	11.4	-2.5
Printing, Publishing and Media	8	1,687	8,156	0.483	37.1	1,908	10,618	0.556	38.5	13.1	30.2	25.2
Transportation Equipment	12	(5,032)	85,985	NA	56.8	132	81,237	61.584	58.0	NA	-5.5	-7.5
Primary Metals	7	(463)	2,510	NA	43.4	(340)	1,643	NA	34.0	-26.6	-34.6	-16.4
Other Manufacturing	22	4,233	23,743	0.561	28.8	3,022	19,833	0.656	25.6	-28.6	-16.5	-6.2
All Manufacturing	120	$62,833	$467,376	0.744%	40.1%	$ 60,121	$466,845	0.777%	41.9%	-4.3%	-0.1%	-4.6%
Nonmanufacturing												
Banks	18	$ 3,729	$ 23,635	0.634%	30.8%	$ 7,469	$22,638	0.303%	29.4%	100.3%	-4.2%	0.3%
Finance	5	2,639	12,883	0.454	35.7	472	10,749	2.275	34.9	-83.4	-16.6	-14.6
Insurance	21	7,452	19,852	0.266	25.0	4,708	19,827	0.421	23.2	-36.8	-0.1	7.6
Retail-Wholesale Trade	5	2,680	8,651	0.323	12.0	3,768	8,947	0.237	12.2	40.6	3.4	2.3
Telecommunications	8	9,110	67,597	0.742	46.7	20,152	67,693	0.336	45.5	121.2	0.1	2.9
Transportation	6	771	7,117	0.923	28.2	2,433	10,525	0.433	31.8	215.7	47.9	31.2
Electric and Gas Utilities	29	9,528	11,110	0.117	22.9	10,560	14,322	0.136	26.9	10.8	28.9	9.4
Diversified Services	6	586	2,705	0.461	41.9	733	3,842	0.524	50.3	25.1	42.0	18.4
All Nonmanufacturing	98	$ 36,695	$153,551	0.418%	31.4%	$ 50,296	$158,543	0.315%	31.1%	37.1%	3.3%	4.2%
Grand Total	218	$99,528	$620,928	0.624%	37.5%	$110,417	$625,388	0.566%	38.5%	10.9%	0.7%	-2.0%

NOTE: Not all companies were able to report all their education contributions. Education amounts and percentages are consequently slightly depressed.

The latter pattern has been gradually disappearing over the last decade and now only the companies with the greatest assets stand out from the rest.

Industry Variations

Table 10 (page 14) compares total contributions and education support by industry in two ways: as a percentage of pretax income and as a percentage of assets. Education giving as a percentage of PTI, of assets, and of total contributions is listed to the right, along with industry rankings on these measures. While repeating many of the measures found in Table 8, this table allows for more companies since inclusion is not limited to just those companies that also participated in the prior year.

The 163 manufacturing companies gave 40.7 percent of their total contributions to education (about the same as in 1991), while the 146 nonmanufacturing companies gave 30.5 percent (again about the same as last year). The manufacturing companies also devoted a larger proportion of their profits to education than did the nonmanufacturing companies. Because the asset measures for manufacturing and nonmanufacturing companies are not comparable in many instances, comparisons of contributions-to-assets ratios between industry groups should be treated cautiously.

Table 9

Contributions by Manufacturing Companies by Size of Worldwide Pretax Income and Assets, 1992

Pretax Income	Number of Companies	Percent of PTI		Education as a Percent of Total Contributions
		Total	Education	
Net Loss	25	NA	NA	51.5%
Less than $25 million	24	5.381%	1.736%	32.3
$25-49 million	9	3.290	0.861	26.2
$50-99 million	18	1.788	0.567	31.7
$100-249 million	27	1.694	0.684	40.4
$250-499 million	20	1.153	0.381	33.0
$500-999 million	15	1.243	0.577	46.4
$1 billion and over	25	0.997	0.370	37.1
All Manufacturing Companies	163	1.732%	0.704%	40.7%

Assets	Number of Companies	Percent of Assets		Education as a Percent of Total Contributions
		Total	Education	
Under $250 million	11	0.158%	0.050%	31.7%
$250-499 million	14	0.194	0.067	34.7
$500-999 million	20	0.122	0.040	32.5
$1-2.49 billion	32	0.119	0.038	31.9
$2.5-4.9 billion	20	0.129	0.039	30.2
$5-9.9 billion	31	0.095	0.032	33.3
$10 billion and over	35	0.062	0.028	44.3
All Manufacturing Companies	163	0.071%	0.029%	40.7%

Table 10

Total Contributions and Education Support in Relation to Worldwide Pretax Income and Assets and Comparative Rankings by Industry, 1992

	Number of Companies	WWPTI (millions)	Assets (millions)	Total Contributions (000)	Education Support (000)	Education as a Percentage of WWPTI		Education as a Percentage of Assets		Education as a Percentage of Total Contributions		Total Contributions as a % of WWPTI	
Manufacturing													
Chemicals	21	$ 7,271	$ 126,971	$ 102,830	$ 50,229	0.691%	(2)	0.040%	(5)	48.8%	(3)	1.414%	(5)
Computers and Office Equipment	11	(7,814)	138,871	165,594	86,139	NA		0.062	(1)	52.0	(2)	NA	
Electrical Machinery	7	6,505	239,853	63,013	26,426	0.406	(7)	0.011	(11)	41.9	(5)	0.969	(8)
Food, Beverage and Tobacco	15	20,391	140,566	173,807	58,022	0.285	(10)	0.041	(4)	33.4	(7)	0.852	(10)
Nonelectrical Machinery	4	871	14,241	7,518	2,554	0.293	(9)	0.018	(9)	34.0	(6)	0.863	(9)
Paper and Allied Products	8	1,928	58,365	29,190	8,504	0.441	(6)	0.015	(10)	29.1	(10)	1.514	(4)
Petroleum, Gas and Mining	18	18,614	359,498	220,206	95,365	0.512	(5)	0.027	(7)	43.3	(4)	1.183	(7)
Pharmaceuticals	10	15,286	79,529	183,393	49,267	0.322	(8)	0.062	(2)	26.9	(12)	1.200	(6)
Printing, Publishing and Media	12	2,649	26,903	45,127	14,603	0.551	(4)	0.054	(3)	32.4	(9)	1.704	(3)
Transportation Equipment	17	3,433	492,815	175,990	95,188	2.773	(1)	0.019	(8)	54.1	(1)	5.127	(1)
Primary Metals	10	(215)	21,062	6,417	2,091	NA		0.010	(12)	32.6	(8)	NA	
Other Manufacturing	30	3,729	72,563	84,815	23,193	0.622	(3)	0.032	(6)	27.3	(11)	2.275	(2)
All Manufacturing	163	$ 72,647	$1,771,338	$1,257,901	$511,583	0.704%		0.029%		40.7%		1.732%	
Nonmanufacturing													
Banks	29	$ 9,924	$ 893,704	$ 91,692	$ 25,304	0.255%	(5)	0.003%	(7)	27.6%	(5)	0.924%	(4)
Finance	12	7,351	829,542	59,398	18,339	0.249	(6)	0.002	(8)	30.9	(4)	0.808	(5)
Insurance	27	5,169	879,074	105,182	26,850	0.519	(1)	0.003	(6)	25.5	(7)	2.035	(1)
Wholesale-Retail Trade	5	3,768	50,268	73,582	8,947	0.237	(7)	0.018	(4)	12.2	(8)	1.953	(2)
Telecommunications	10	20,635	223,566	154,533	69,608	0.337	(3)	0.031	(2)	45.0	(1)	0.749	(7)
Transportation	9	2,978	35,678	35,381	11,190	0.376	(2)	0.031	(1)	31.6	(3)	1.188	(3)
Electric and Gas Utilities	41	14,267	246,882	66,237	17,770	0.125	(8)	0.007	(5)	26.8	(6)	0.464	(8)
Diversified Services	13	2,569	28,677	20,391	6,742	0.262	(4)	0.024	(3)	33.1	(2)	0.794	(6)
All Nonmanufacturing	146	$ 66,661	$3,187,389	$606,396	$184,751	0.277%		0.006%		30.5%		0.910%	
Grand Total	309	$139,308	$4,958,727	$1,864,296	$696,334	0.500%		0.014%		37.4%		1.338%	

(Industry rankings are in parentheses.)

NOTE: Not all companies were able to report all their education contributions. Education amounts and percentages are consequently slightly depressed.

Forms of Giving

Tables 11 and *12* provide breakdowns of contributions to all causes and to education by form of gift. Noncash gifts to all causes fell from16.2 percent in 1991 to 13.4 percent in 1992. Prior to 1984, noncash contributions amounted to about 10 percent of total contributions. Between 1984 and 1987 the noncash share doubled to about 20 percent, then dipped back to 14 percent in 1988 and 1989. For education causes, noncash gifts fell from 12.9 percent in 1991 to 10.6 percent in 1992. Education received 80 percent of all noncash gifts from corporations reported in 1992, up sharply from 27 percent in 1991. All these shares fluctuate greatly from year to year.

Foundations Smooth the Way

Seventy-three percent of the manufacturing companies and 52 percent of the nonmanufacturing companies responding to the survey have established company foundations *(see Table 13)*. Of the 222 companies with foundations that provided detailed information on the flow of funds from the company and its foundation, 41 made all their 1992 contributions through their foundations (a somewhat larger proportion than last year); others chose to make part of their contributions through their foundations and the rest directly from the corporation to the recipients.

Table 11

Forms of Giving to All Causes Combined

(millions of dollars)

	1991 Amount		1991 % of Total	1992 Amount		1992 % of Total
Cash	$1,869.1	(406)	83.8%	$1,751.1	(367)	86.6%
Securities	6.8	(6)	0.3	3.0	(4)	0.1
Company Products	310.4	(80)	13.9	251.9	(69)	12.5
Other Property	45.0	(61)	2.0	16.8	(52)	0.8
Total	$2,231.3	(406)	100.0%	$2,022.7	(367)	100.0%

(Numbers in parentheses show the number of companies reporting each form of gift.)

Table 12

Forms of Giving to Education

(millions of dollars)

	1991 Amount		1991 % of Total	1992 Amount		1992 % of Total
Cash	$674.5	(399)	87.1%	$671.0	(362)	89.4
Securities	4.6	(5)	0.6	1.2	(1)	0.2
Company Products	88.0	(31)	11.4	73.5	(26)	9.8
Other Property	7.1	(31)	0.9	4.7	(28)	0.6
Total	$774.2	(400)	100.0%	$750.3	(362)	100.0%

(Numbers in parentheses show the number of companies reporting each form of gift.)

A foundation can help stabilize the flow of charitable contributions in times of declining or uncertain profits by maintaining grants programs even while its parent company reduces contributions. The foundation can use earnings on its assets, draw down assets, or do both in order to maintain a desired giving level. In periods of high profits, the company can replenish the foundation's assets. *Table 14* presents the contributions of survey respondents and their foundations for the past five years. The first line on the table shows the total gifts reported by the companies to the Internal Revenue Service for income-tax purposes. These include gifts from the corporations to their own foundations, which are shown on the second line and then subtracted from line one to determine the total given directly by companies to charitable causes. Then, grants made by the foundations are added in to provide a total consolidated contributions figure for both the corporate foundations and their parent companies to all causes.

Almost three-fifths of the contributions of survey participants in 1992 came directly from the companies, the same as the prior three years; the median direct company contribution (exclusive of companies making all contributions through their foundations) was $1.01 million, down from the $1.02 million in 1991. The median foundation contributions program was $1.7 million, up from $1.61 million in 1991.

As shown in *Table 14*, the difference between foundation receipts and foundation gifts for companies participating in the survey has fallen for the past two years, after climbing to a surprising $495 million in 1990. The difference between foundation receipts and foundation gifts dropped significantly in 1991 and 1992, both because there appeared to be a rise in company gifts to their own foundations and because foundation giving fell.

According to the Foundation Center, corporate foundations held assets of about $6 billion in 1991, the latest year for which comprehensive data are available. Over the past five years, many companies have been using income earned on assets and the assets themselves to maintain overall company giving levels despite poor corporate profits.

Table 13

Percentage of Reporting Companies with Foundations by Industry, 1992, Ranked by Percentage with Foundations

	Number of Companies	Percentage with Foundations
Manufacturing		
Pharmaceuticals	13	92.3
Paper and Allied Products	9	88.9
Primary Metals	11	81.8
Electrical Machinery	11	81.8
Transportation Equipment	19	78.9
Other Manufacturing	37	78.4
Nonelectrical Machinery	4	75.0
Food, Beverage and Tobacco	18	72.2
Chemicals	22	68.2
Printing, Publishing and Media	15	66.7
Petroleum and Gas and Mining	18	61.1
Computers and Office Equipment	14	42.9
All Manufacturing	191	73.3%
Nonmanufacturing		
Transportation	9	66.7%
Telecommunications	13	61.5
Diversified Services	18	61.1
Finance	12	58.3
Banks	35	57.1
Retailing	9	55.6
Insurance	40	55.0
Electric and Gas Utilities	44	34.1
All Nonmanufacturing	180	52.2%
All Companies	371	63.1%

Table 14

Structure of Corporate Contributions

(millions of dollars)

	1988	1989	1990	1991	1992
Total Company Gifts:	$1,375.2	$1,458.2	$1,588.7	$1,835.9	$1,714.8
	(345)	(311)	(318)	(383)	(343)
Less: Gifts to Company Foundations:	433.7	411.9	414.6	525.6	490.0
	(131)	(126)	(127)	(152)	(142)
Direct Company Gifts to Others:	941.5	1,046.3	1,174.1	1,310.2	1,224.9
	(325)	(288)	(292)	(349)	(317)
Plus: Company Foundation Gifts:	691.6	710.3	909.8	888.2	805.5
	(201)	(187)	(216)	(237)	(213)
Total Corporate Contributions:	$1,633.1	$1,756.6	$2,083.9	2,198.5	$2,030.4
	(353)	(320)	(337)	(393)	(352)
Difference Between Foundation Receipts and Foundation Gifts:	-257.9	-298.4	-495.2	-362.6	-315.5
Cumulative Change from 1974:	-725.7	-1,024.0	-1,519.2	-1,881.8	-2,197.3
Number of Companies with Foundations:	217	201	227	239	213

(Numbers in parentheses show the number of companies reporting.)

The Top 25 Contributors from Each Sector

Table 15 presents a giving profile of the top 25 contributors to education from the manufacturing companies and from the nonmanufacturing companies responding to the survey. These 50 donors (13.5 percent of survey participants) together provided 67 percent of the education support and 58 percent of total support reported by all participants, similar to recent years. Their average contribution to education in 1992 was $10.3 million — about the same as in 1991 and 1990. The top nonmanufacturing companies increased their collective giving to education by a total of $ 10 million, or 3 percent. These comparisons are inexact, since the actual companies in the top 25 lists vary somewhat from year to year.

The top 25 manufacturing companies provided 60 percent of total contributions and 68 percent of the total education grants reported by all 192 manufacturing respondents, while the top 25 nonmanufacturing companies provided 54 percent of the total contributions and 65 percent of the total education grants made by the 179 nonmanufacturing participants.

Table 15

Top 25 Manufacturing and Nonmanufacturing Companies Ranked by Educational Support, 1992

	Educational Support (000)	Total Contributions (000)	Education as % of Total	Worldwide PTI *(millions)*	Contributions as a Percentage of WWPTI: Education	Contributions as a Percentage of WWPTI: Total
Manufacturing						
1	$ 40,200	$ 86,300	46.6%	(9,026)	NA	NA
2	34,754	53,081	65.5	(3,333)	NA	NA
3	24,927	32,222	77.4	993	2.510%	3.245%
4	23,123	41,224	56.1	7,211	0.321	0.572
5	18,981	55,000	34.5	8,608	0.221	0.639
6	17,863	44,490	40.2	6,300	0.284	0.706
7	17,000	33,730	50.4	2,885	0.589	1.169
8	15,294	28,346	54.0	(127)	NA	NA
9	15,124	23,875	63.3	1,601	0.945	1.491
10	14,569	28,130	51.8	1,811	0.804	1.553
11	13,600	28,553	47.6	3,564	0.382	0.801
12	13,066	25,560	51.1	1,003	1.303	2.548
13	12,043	30,764	39.1	2,711	0.444	1.135
14	11,140	22,390	49.8	(2,078)	NA	NA
15	10,316	18,202	56.7	(158)	NA	NA
16	10,025	14,620	68.6	934	1.073	1.565
17	9,964	19,944	50.0	NA	NA	NA
18	9,794	16,200	60.5	2,746	0.357	0.590
19	9,602	29,831	32.2	2,875	0.334	1.038
20	8,964	48,232	18.6	2,207	0.406	2.185
21	8,937	28,094	31.8	1,907	0.469	1.473
22	8,412	39,815	21.1	1,947	0.432	2.045
23	8,236	22,850	36.0	2,822	0.292	0.810
24	7,545	27,616	27.3	1,182	0.638	2.336
25	7,425	20,870	35.6	1,305	0.569	1.599
	$370,905	$819,939	45.2%	$39,890	0.905%*	2.005%*

	Educational Support (000)	Total Contributions (000)	Education as % of Total	Worldwide PTI *(millions)*	Contributions as a Percentage of WWPTI: Education	Contributions as a Percentage of WWPTI: Total
Nonmanufacturing						
1	$ 28,210	$ 50,466	55.9%	$ 5,958	0.473%	0.847%
2	10,750	22,194	48.4	2,754	0.390	0.806
3	9,382	25,755	36.4	1,974	0.475	1.305
4	8,900	19,200	46.4	2,600	0.342	0.738
5	7,364	16,320	45.1	1,418	0.519	1.151
6	6,531	6,531	100.0	NA	NA	NA
7	6,477	18,900	34.3	NA	NA	NA
8	6,400	17,900	35.8	1,882	0.340	0.951
9	6,096	14,546	41.9	738	0.826	1.971
10	5,419	13,810	39.2	1,870	0.290	0.739
11	5,055	15,823	31.9	1,443	0.350	1.097
12	4,829	17,613	27.4	815	0.592	2.161
13	4,166	12,268	34.0	1,563	0.267	0.785
14	4,061	25,254	16.1	1,259	0.323	2.006
15	3,200	9,069	35.3	179	1.788	5.066
16	3,169	11,247	28.2	1,385	0.229	0.812
17	3,040	11,031	27.6	(121)	NA	NA
18	2,825	8,160	34.6	1,101	0.257	0.741
19	2,796	4,150	67.4	215	1.298	1.927
20	2,588	9,169	28.2	3,986	0.065	0.230
21	2,486	3,821	65.1	590	0.421	0.647
22	2,368	9,200	25.7	825	0.287	1.115
23	2,312	9,807	23.6	225	1.028	4.359
24	2,196	8,736	25.1	(225)	NA	NA
25	2,042	7,309	27.9	NA	NA	NA
	$ 142,660	$368,281	38.7%	$32,434	0.393%*	1.035%*

**Ratios are based only on companies reporting PTI.*

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